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A HISTORY OF WATER RESOURCES POLICIES AND GUIDANCE

Overview Briefing for Planning Associates Class of 2011

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Planning Reflects Values

The nation's water resources planning framework has evolved through the decades, reflecting the changing political and social values of the day – usually crawling, but occasionally in leaping

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History Outline

- 1824 Rivers and Harbors Act
- 1936 Flood Control Act
- 1952 Circular A-47
- 1958 Green Book
- 1962 Senate Document 97
- 1965 Water Resources Planning Act
- 1969 National Environmental Policy Act
- 1970 Flood Control Act
- 1973 Principles & Standards
- 1974 Water Resources Development Act
- 1980 Principles, Standards and Procedures
- 1983 Principles & Guidelines
- 1986 Water Resources Development Act

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The Beginnings

1817 to 1838, local governments and private enterprise led the development of inland waterway projects

Failures of the great canal era opened the door for Federal assumption of responsibility for planning, financing, constructing, operating, and maintaining inland navigation.

1824 the first **Rivers and Harbors Act** provided $75,000 for navigation improvements on the Ohio and Mississippi Rivers

Flood Control Act of 1936

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Three Great Midwest Floods since 1900

- Important turning point in the scope of the Corps' water resources activities
- Economics text first appeared in legislation specifying that "the benefits to whomsoever they may accrue are in excess of the estimated costs."

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Circular A-47

- First Issued in 1952 by Bureau of Budget
- Established uniform Standards for Water Resources Project by all Agencies
- One Objective – NED
- Max Net Benefits

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1958 Green Book

- "*Proposed Practices for Economic Analysis of River Basin Projects*" by the Subcommittee on Water Resources

- The report covers the basic principles and concepts of cost-benefit analysis, principles and procedures for formulation; standards, problems and procedures in benefit and cost measurement; analysis of project purposes; and, cost allocation.

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1958 Green Book

- One objective – Maximize Net Benefits
- A project is "…properly formulated and economically justified if: (1) project benefits exceed project costs; (2) each separable segment or purpose provides benefits at least equal to its costs; (3) the scale of development is such to provide the maximum net benefits; and (4) there are no more economical means of accomplishing the same purpose…"

1962 Senate Document 97

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- The President's Water Resources Council Report on Policies, Standards and Procedures…for Water Resources Plans
- Established "Policies, standards and procedures for the formulation and evaluation of water resource projects by Fed agencies" (aka, Senate Document 97)
- Never formally approved by Congress, but endorsed by the President

1962 Senate Document 97

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- Three Objectives for full Consideration:
  - Development of national and regional economies (NED and RED today)
  - Preservation of Nation's natural bounty (EQ today)
  - Well-being of people (OSE today?)

Significantly, the document says "Well-being of all people shall be the overriding determinant in considering the best use of water and related land resources."

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Water Resources Planning Act of 1965

- Established the:
  - *Water Resources Council (WRC)*
    developed the Federal multi-objective, multipurpose planning procedures under the WRC's Principles and Standards (P&S) for Water Resources Planning which included benefit-cost analysis for water quantity planning
  - *Title II River Basin Commissions*
    charged with preparing comprehensive coordinated joint plans with Federal agencies and the states

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NEPA of 1969

- Required a concurrent planning process from the resource perspective
- Required public- interagency involvement process
- Required consideration of all reasonable alternatives
- Required consideration of direct, indirect and cumulative effects of each alternative on significant resources
- Required integration of mitigation in alternatives
- Required documentation of environmental considerations
- Established public review requirements
- Requires Full Disclosure

Flood Control Act of 1970

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- *F*irst WRC Guidance for dealing with NEPA

- *Four objectives for planning were proposed.*

(1) to enhance national economic development*;*

(2) to enhance the quality of the environment*;*

(3) to enhance social well-being*; and*

(4) to enhance regional development*.*

No objective was to be considered more important than any other

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Development of the 1973 Principles and Standards

- A replacement for “policies, standards and procedures in the formulation, evaluation and review of plans for use and development of water and related land resources” (Senate Document 97, 1962)

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1973 Principles and Standards

- Two equal objectives
  - NED and EQ
- Four Accounts
  - NED, EQ, RD, SWB
- Six Step Planning Process
- Discount rate based on the average cost of federal borrowing

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Section 80 of WRDA of 1974

- Restored the December 24, 1968 WRC discount rate formula
- Provided for grandfathering of the discount rate for certain projects at the pre-December 24,1968 rate
- Directed study of objectives, discount rate and cost sharing options with results and recommendations to Congress

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1980 Principles and Standards

- Two coequal objectives: NED and EQ
- Required a NED plan *and* an EQ plan
- Four Accounts: NED, EQ, RED, OSE
- Required a "*primarily non-structural plan*."
- Required integration of Water Conservation Planning as a National Priority
- *Iterative* 6-Step Planning Process
- 4 Tests: completeness, effectiveness, efficiency, and acceptability
- Standardized detailed NED procedures

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Downfalls of 1980 P&S

- Considered inflexible, unduly burdensome and arbitrary
- “Standards” were considered “rules” and that invited litigation
- Interagency task force created to revise Policy, Standards & Principles and eliminate their “rule” status
- Cost sharing reform viewed as key to better projects

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1983 Principles and Guidelines

- Single Federal objective – NED
- Four accounts – NED, EQ, RED, OSE
- Only NED plan required
- Provision to accommodate of “other concerns”
- Clarified and made technical improvements to standards
- Allowed alternative calculations to improve accuracy of benefit estimates
- “Guideline” status less litigable than “Standards”

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WRDA of 1986

- Two Phase Planning Process
- Established and defined “Project Purposes”
- Established Standard Cost-sharing by Purpose
- Established Study Cost-sharing
- Restrictions on cost increases
- Ecosystem restoration made a project purpose
- Allows Non-Feds to study and implement projects with partial reimbursement
- Most principles remain in subsequent WRDAs

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WRDA of 2007

- Calls for Change to P&G of 1983
- Mandates new Independent External Review Process for Documents
- Established new requirements for Mitigation and Monitoring

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Policy Issues that "Catch" Corps Planners

- They are generally not P&G related
- Failure to document the planning process
- They are usually Legislative/Administrative laws and policies, and historic practices
- Examples of Legislative:
  - Cost-sharing
  - LERRs vs LERRDs
  - Non-"Traditional" Missions and Purposes

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Policy Issues that "Catch" Corps Planners

- Administrative Policies
  - NED "bias"
  - Limitations on Recreation (HP and WS) in formulation
  - Low Budgetary Priorities
  - Single Owner (progressive development)
  - Land Development/Enhancement limits
  - WIK Credit Limits (Legisl and Admin)